

CONFIDENTIAL CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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- On 24 January 1951 a meeting was called by Neumann, the head of DAHA-Metall, to discuss import policy for 1951. Also present were Dolling, Guttman, Vietzsch, all of DAHA-Metall, Bade, Lüddecke and Kofer of MIAM, and Grishaev of the SKK.
- Neumann stated that the most urgent task was to decide a course of action for Heidrich during his visit to Moscow. In this connection Neumann based his argument on the assumption that DDR requirements of iron and steel for 1951 would be somewhere between 500,000 and 750,000 tons. The realization of the maximum figure would mean that not only all obligations for 1951 but also those still outstanding from 1950 could be met.
- The USSR had so far undertaken to deliver approximately 350,000 tons of semi-finished products during 1951. Since however, the USSR exports to the DDR during 1950 had been fully realized only during the first and second quarters, it must be assumed that the DDR's import target for 1951 was unlikely to be completely fulfilled.
- Neumann then asked Grishaev for an assurance that the USSR would deliver the quantities promised without fail. Grishaev was also requested to state what additional supplies of raw materials might be expected in order to meet supplementary reparations demands on the SAGs. Grishaev, however, evaded the issue by indicating that he was not competent to answer such questions, though he was confident that Heidrich's forthcoming visit to Moscow would solve all difficulties.
- With reference to Neumann's estimates, Dolling declared that in his opinion even the maximum figure of 750,000 tons would be insufficient if the requirements of the SAGs were to be taken into account. He considered a provisional figure of not less than 200,000 tons per quarter to be essential for the complete realization of the 1951 plan. In this case the USSR must guarantee delivery of 100,000 tons of semi-finished products per quarter.
- Additional deliveries of 40,000 tons per quarter might be expected from other sources; DAHA-Metall would be responsible for procuring the balance of 60,000 tons in the open market. Dolling doubted, however, whether DAHA-Metall, even with the assistance of DEAG, could obtain more than 40,000 tons per quarter on the open market. Consequently, the 20,000 tons still outstanding would have to be

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-2-

obtained from Poland; if, as seemed likely, Poland was unable to supply this amount, he would suggest the conclusion of an agreement whereby Poland would process 20,000 tons of metal from iron ore to be delivered by the DDR.

7. This proposal by Dolling was energetically refuted by several of those present, on the grounds that Poland was quite incapable of processing an additional 20,000 tons of metal. The Polish metal industry was already functioning at 75 percent of overall capacity, which must be regarded as a practical maximum. Guttmann remarked at this point that 100 percent exploitation of smelting facilities was a practical impossibility since it was universally recognized that a number of smelting ovens must always be held in reserve.
8. Neumann declared that he was unable to share Dolling's optimism concerning the ability of the DDR to procure 40,000 tons per quarter on the open market, and doubted whether in fact more than 20,000 tons could be obtained by these methods. Thus, a deficit of 40,000 tons would still be outstanding. Neumann believed, therefore, that the only solution would be for the USSR to assume responsibility for deliveries of an additional 40,000 tons per quarter. Should this guarantee not be obtained by Heidrich in Moscow, he saw no prospect that the planned production target for the first quarter of 1951 would be fulfilled. Responsibility for such failure would lie, however, not with the DDR but with the USSR.
9. In conclusion it was unanimously agreed that Heidrich should:
 - a. Request a solemn guarantee from the USSR that supplies of raw metals already promised would be delivered in their entirety.
 - b. Persuade the USSR to undertake the delivery of an additional 40,000 tons of semi-finished products per quarter during 1951. To this end a DDR delegation would be formed to negotiate a further agreement with the USSR. The assumption of fresh commitments by the DDR must be dependent, however, on prior deliveries of additional supplies from the USSR.
 - c. State categorically that unless these requests were complied with, the DDR's program for 1951 could not be realized.
10. Grishaev requested a copy of this resolution for submission to the SKK, Karlshorst.
11. On 29 January 1951, at another conference, it was agreed that the 1951 crude metal import requirements would be not less than 950,000 tons. Of this amount, the USSR would have to supply 750,000 tons. Heidrich was to request that Soviet exports be increased accordingly.

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